

110TH CONGRESS
1ST SESSION

H. R. 1742

To amend the Internal Revenue Code of 1986 to classify automatic fire sprinkler systems as 5-year property for purposes of depreciation.

IN THE HOUSE OF REPRESENTATIVES

MARCH 28, 2007

Mr. LANGEVIN (for himself, Mr. CANTOR, Mrs. JONES of Ohio, Mr. RAMSTAD, Mr. PASCRELL, Mr. BUTTERFIELD, Ms. SCHWARTZ, Mr. KING of New York, Mr. GERLACH, Mr. MCINTYRE, Mr. COHEN, Mr. BOOZMAN, Ms. ZOE LOFGREN of California, Ms. SUTTON, Mr. THOMPSON of Mississippi, Mr. ETHERIDGE, Mr. EHLERS, Mr. LOBIONDO, Mr. SAXTON, Mr. SHAYS, Mr. SHIMKUS, Mr. BRADY of Pennsylvania, and Mr. GRIJALVA) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to classify automatic fire sprinkler systems as 5-year property for purposes of depreciation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fire Sprinkler Incen-
5 tive Act of 2007”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds that—

1 (1) the publication of the original study and
2 comprehensive list of recommendations in America
3 Burning, written in 1974, requested advances in fire
4 prevention through the installation of automatic
5 sprinkler systems in existing buildings have yet to be
6 fully implemented;

7 (2) fire departments responded to approxi-
8 mately 1,600,000 fires in 2005;

9 (3) there were 3,675 civilian deaths and 17,925
10 civilian injuries resulting from fire in the United
11 States in 2005;

12 (4) 87 firefighters were killed in 2005;

13 (5) fire caused \$10,672,000,000 in direct prop-
14 erty damage in 2005, and sprinklers are responsible
15 for a 70 percent reduction in property damage from
16 fires in public assembly, educational, residential,
17 commercial, industrial and manufacturing buildings;

18 (6) fire departments respond to a fire every 20
19 seconds, a fire breaks out in a structure every 61
20 seconds and in a residential structure every 79 sec-
21 onds in the United States;

22 (7) the Station Nightclub in West Warwick,
23 Rhode Island, did not contain an automated sprin-
24 kler system and burned down, killing 100 people on
25 February 20, 2003;

1 (8) due to an automated sprinkler system, not
2 a single person was injured from a fire beginning in
3 the Fine Line Music Café in Minneapolis after the
4 use of pyrotechnics on February 17, 2003;

5 (9) the National Fire Protection Association
6 has no record of a fire killing more than 2 people
7 in a completely sprinklered public assembly, edu-
8 cational, institutional or residential building where
9 the system was properly installed and fully oper-
10 ational;

11 (10) sprinkler systems dramatically improve the
12 chances of survival of those who cannot save them-
13 selves, specifically older adults, young children and
14 people with disabilities;

15 (11) the financial cost of upgrading fire
16 counter-measures in buildings built prior to fire
17 safety codes is prohibitive for most property owners;

18 (12) many State and local governments lack
19 any requirements for existing structures to contain
20 automatic sprinkler systems;

21 (13) under the present straight-line method of
22 depreciation, there is a disincentive for building safe-
23 ty improvements due to an extremely low rate of re-
24 turn on investment; and

1 (14) the Nation is in need of incentives for the
 2 voluntary installation and retrofitting of buildings
 3 with automated sprinkler systems to save the lives of
 4 countless individuals and responding firefighters as
 5 well as drastically reduce the costs from property
 6 damage.

7 **SEC. 3. CLASSIFICATION OF AUTOMATIC FIRE SPRINKLER**
 8 **SYSTEMS.**

9 (a) IN GENERAL.—Subparagraph (B) of section
 10 168(e)(3) of the Internal Revenue Code of 1986 (relating
 11 to 5-year property) is amended by striking “and” at the
 12 end of clause (v), by striking the period at the end of
 13 clause (vi) and inserting “, and”, and by adding at the
 14 end the following:

15 “(vii) any automated fire sprinkler
 16 system placed in service after April 11,
 17 2003, in a building or structure which was
 18 placed in service before such date.”.

19 (b) ALTERNATIVE SYSTEM.—The table contained in
 20 section 168(g)(3)(B) of the Internal Revenue Code of
 21 1986 is amended by inserting after the item relating to
 22 subparagraph (B)(iii) the following:

“(B)(vii) 7”.

23 (c) DEFINITION OF AUTOMATIC FIRE SPRINKLER
 24 SYSTEM.—Subsection (i) of section 168 of the Internal

1 Revenue Code of 1986 is amended by adding at the end
2 the following:

3 “(17) AUTOMATED FIRE SPRINKLER SYSTEM.—

4 The term ‘automated fire sprinkler system’ means
5 those sprinkler systems classified under one or more
6 of the following publications of the National Fire
7 Protection Association—

8 “(A) NFPA 13, Installation of Sprinkler
9 Systems,

10 “(B) NFPA 13 D, Installation of Sprin-
11 kler Systems in One and Two Family Dwellings
12 and Manufactured Homes, and

13 “(C) NFPA 13 R, Installation of Sprinkler
14 Systems in Residential Occupancies Up to and
15 Including Four Stories in Height.”.

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to property placed in service after
18 April 11, 2003.

19 (e) WAIVER OF LIMITATIONS.—If refund or credit of
20 any overpayment of tax resulting from the amendments
21 made by this section is prevented at any time before the
22 close of the 1-year period beginning on the date of the
23 enactment of this Act by the operation of any law or rule
24 of law (including res judicata), such refund or credit may

- 1 nevertheless be made or allowed if claim therefor is filed
- 2 before the close of such period.

